

Placer County Water Agency

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A Public Agency

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May 30, 1997
File 100-12, 102-2

Mr. Rick Woodard
Assistant Director
Water Quality Branch
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1148
Sacramento, CA 95814

Re: MTBE and SB 521 (Mountjoy)

Dear Mr. Woodard:

Thank you for the time yesterday to discuss with me some of the unmitigated impacts of MTBE upon water quality.

The Board of Directors of the Water Agency have taken a very active and firm "support" stand relevant to MTBE as set forth in SB 521 by Senator Richard Mountjoy. Our support is based upon avoidance of the further spread of chemicals like MTBE in water supplies and avoidance of water suppliers and ratepayers having to pay any costs for MTBE detection testing and remediation in drinking water.

On May 28 I briefly spoke at the Senate Appropriations Committee in support of SB 521 and presented a "Position Paper"; copy attached.

As you and I very briefly discussed along with Steve Yaeger yesterday, the issue is growing about the unmitigated infusion of MTBE in air and water. This chemical is of particular concern relevant to rivers and lakes. These are impacted through storm water runoff, watercraft exhaust and various other means and could ultimately be cause for concern relevant to Bay-Delta water quality standards. If MTBE tainted water becomes cause for concern, as a compromising chemical to Bay-Delta water quality standards, then I assume CALFED will find itself faced with an identical question now confronted by water districts: Who is to pay for MTBE detection testing, remediation and other related environmental "cleanup" costs if MTBE is to continue to be used in gasoline? I would imagine CALFED, like water districts, will expect the fuel industry and/or air resources officials to find the funds to pay for all such costs. Yet, due to unfriendly amendments to SB 521, as made at the Senate Appropriations Committee on May 28, efforts are

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underway by the fuel industry to shift such fiscal liability away from them. This has generated concern to water districts because water ratepayers will ultimately be "obligated" to have to pay to fund this emerging "unfunded" mandate relevant to drinking water and MTBE. But, as we discussed, I don't know who or what entity would be expected to "pick up the tab" of MTBE tainted water relevant to Bay-Delta water quality standards. (I can assure you and Steve that water districts and ratepayers sure do not want to be called upon to pay this Bay-Delta expense.) Thus, CALFED may want to monitor SB 521. An issue for CALFED staff to consider: If fuel companies are not obligated for costs for detection testing, remediation and environmental "cleanup" of MTBE tainted water in the Bay-Delta system, then who would be expected to come up with the revenue? As we discussed, this is a critical matter to everyone of us who are concerned with water quality issues in California.

(Frankly, at this point, unless "the tide turns" on SB 521, water districts and others responsible for meeting water quality standards in drinking water appear likely to end up ultimately having to pay for MTBE related costs relevant to drinking water.)

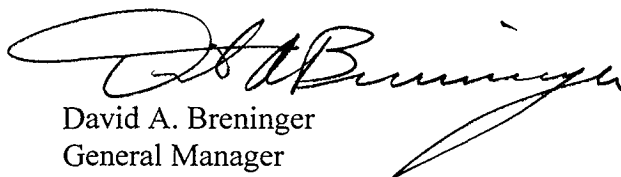
Ms. Nancy Leneis of Senator Mountjoy's office can give you or your staff a comprehensive briefing on matters as they now stand from a legislative perspective. I'm sure she would appreciate hearing of your concerns and knowledge about MTBE as well. She can be reached at 445-2848.

I would be interested in CALFED's intentions on the MTBE issues and SB 521 in particular. I will be updating my Board at our June 3 afternoon session and would be pleased to advise them as to where CALFED stands on this matter.

Time is of the essence. Your advice would be greatly appreciated. Thank you!

Sincerely,

PLACER COUNTY WATER AGENCY


David A. Breninger
General Manager

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Attachment: PCWA "Position Paper" on MTBE

pc: Senator Richard Mountjoy
PCWA Board of Directors